

<b>Committee Name:</b>	Investment Committee	<b>Session #:</b>	
<b>Committee Chair:</b>	Phil Dodson	<b>Vice Chair</b>	Stan Benson
<b>Minutes recorded by:</b>	Phil Dodson	<b>Date/time of meeting:</b>	1/24/2017

## Motions Passed:

1. To sell Ultra Short Fund investment and reinvest into High Yield Fund. Moved by Ralph Davis, seconded by Homer Lane. Passed unanimously.

<b>Number of committee members present:</b> 7	<b>Absent:</b> 1	<b>Number of other delegates present:</b> 0
<b>Committee members present (list all, including chair and vice chair):</b> Phil Dodson, Stan Benson, Ralph Davis (Ex-officio), Jay Definis, Susan Kuhlman (Ex-officio), Homer Lane, Bill Sherman		
Not present: Guy Davis,		
Guests: Jim Gregory our Northern Trust (NT) investment manager		

## Minutes

The meeting was called to order at 7:30pm EST.

The meeting began with a presentation of the 2017 investment outlook by Jim Gregory. In brief, changes in the outlook for 2017 compared to 2016 are:

- No longer is the expectation for interest rates to remain low. The Fed has indicated more small interest rate hikes in 2017 and 2018.
- A pick up in growth rates in US and International economies.
- An end to the US earning recession.
- Fiscal stimulus to be replacing monetary policy.
- Inflation may become a new concern.

The USMS portfolio is well diversified and well positioned for these outlooks. But conservatively, our current cash position plus expected interest and dividends are sufficient to fund the 2017 budgeted portfolio transfer to operating funds without having to sell assets, should there be a significant market downturn at the time of funding.

Jim Gregory briefly reviewed both the USMS and SSL portfolio performances.

- As of December 31, 2016, the USMS Investment Portfolio year-to-date return was +7.39%, or a gain of \$162,263, net of fees, with an ending market value of \$2,357,864, up \$657,888 since inception in 2011.
- The SSL investment portfolio is invested and managed under the NT model portfolio for growth and income investment objectives, which for 2016 resulted in returns, +7.40%, or up \$12,966, net of fees.

The committee members discussed the merits of Value versus Growth investing bias in our portfolio and decided to leave unchanged. Also discussed was redeploying short term Ultra Short Fund (essentially cash) into High Yield and Infrastructure funds. It was decided to move all into High Yield Funds.

Next meeting is scheduled for April 25, 2017, 7:00 EST.